

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 FEA-01 SP-02 AID-05

NSC-05 RSC-01 CIEP-01 TRSE-00 SS-15 STR-01 OMB-01

CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 L-02 H-01 PA-01 USIA-06 PRS-01

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R 221956Z JAN 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 4163

INFO AMCONSUL GUAYAQUIL

AMEMBASSY CARACAS

AMEMBASSY BOGOTA

AMEMBASSY LIMA

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E.O. 11652: N/A

TAGS: PFOR, EGEN, EC

SUBJECT: THE TRADE REFORM ACT: ECUADOREAN WHISTLING IN THE DARK

1. AFTER A WEEK'S WORTH OF CARRYING ON ABOUT THE INEQUITIES AND INJUSTICES OF THE TRADE REFORM ACT, SIGNS ARE BEGINNING TO APPEAR THAT INDICATE A CERTAIN AMOUNT OF RETHINKING ABOUT ECUADOR'S OUT-OF-HAND REFUSAL TO PARTICIPATE IN THE BUENOS AIRES MEETING OF FOREIGN MINISTERS.

2. EACH DAY SINCE THE TRADE REFORM ACT WAS SIGNED, MAJOR ECUADOREAN NEWSPAPERS (COMERCIO, TIEMPO, UNIVERSO, TELEGRAFO) HAVE WITHOUT FAIL EMBROIDERED UPON THE FOUR INTERWOVEN THEMES OF THIS PARTICULAR PRELUDE AND FUGUE;

A) "US TRADE LAW THREATENS THE ECONOMIC DEVELOPMENT OF LATIN AMERICA"; B) "ALL OF LATIN AMERICA REJECTS US ECONOMIC THREATS"; C) "OAS MEETING CONDEMNS US ACTION"; AND

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D) "BUENOS AIRES NEW DIALOGUE THREATENED BY ECUADOR'S

AND VENEZUELA'S REFUSAL TO PARTICIPATE." THE STORIES THEMSELVES ARE CLEARLY LESS BASED ON HARD NEWS FROM ANY PARTICULAR CAPITAL, THAN WOVEN TOGETHER IN QUITO FROM A COMBINATION OF HOPE, FAITH, AND THE EPHEMERAL TRUST THAT HER SISTER REPUBLICS SUPPORT ECUADOR ON THIS ONE. AS EACH NEW MESSAGE OF SUPPORT COMES IN FROM A FRATERNAL LATIN AMERICAN COUNTRY (TODAY'S WAS FROM THE UNION OF URUGUAYAN BANANA EXPORTERS) IT HAS BEEN TRUMPETED AS PROOF POSITIVE THAT ECUADOR'S CAUSE IS JUST.

3. IT IS APPARENTLY BEGINNING TO OCCUR TO PEOPLE HERE, HOWEVER, THAT ECUADOR AND VENEZUELA ARE INDEED SOMEWHAT ISOLATED, AND THAT THERE IS BY NO MEANS A UNIFIED LATIN AMERICA BEHIND THEM. BOTH MAJOR QUITO PAPERS (COMERCIO AND TIEMPO) AND GUAYAQUIL'S EL UNIVERSO GAVE FULL AND FAIR COVERAGE ON JANUARY 22 TO JOHN FORD'S STATEMENT IN THE OAS DESCRIBING THE ADVANTAGES ACCRUING TO LATIN AMERICA UNDER THE TRADE REFORM ACT. EMILIO RABASA'S INJUNCTION WAS REPORTED, THAT IF LATIN AMERICA WANTED TO BE HEARD, IT SHOULDN'T WALK OUT ON AN OPPORTUNITY (AT BUENOS AIRES) TO DISCUSS MEANINGFULLY LATIN AMERICA'S WANTS AND NEEDS WITH SECRETARY KISSINGER. EVEN TODAY (JANUARY 22), WHILE HEADLINING "THE DIALOGUE IS IN DOUBT IF ECUADOR AND VENEZUELA DON'T GO TO BUENOS AIRES", STORIES ALONGSIDE QUOTE ARGENTINE FOREIGN MINISTER VIGNES AS SAYING THAT THE CONFERENCE IS ON FOR THE SECOND HALF OF MARCH, THE VERY CLEAR IMPLICATION BEING THAT MOST OF THE OTHER COUNTRIES PLAN TO ATTEND EVEN IF TWO DO NOT. VARIOUS LATIN AMERICAN FOREIGN MINISTERS, INCLUDING COSTA RICA'S FACIO, HAVE BEEN QUOTED ECHOING RABASA'S SENTIMENTS, SAYING IT IS IMPORTANT TO KEEP UP THE DIALOGUE. AND JUST FOR INTEREST, THE PRINCIPAL HEADLINE ON PAGE TWO OF JANUARY 22'S COMERCIO READS "THE PROBLEM WITH LATIN AMERICA IS THAT IT CRIES TOO MUCH", LEADING A STORY FROM BRUSSELS ON COMMON MARKET REACTION TO LATIN AMERICAN REACTION, WHICH BEGINS "THE DIALOGUE BETWEEN THE COMMON MARKET AND LATIN AMERICA IS A CONVERSATION WITH THE DEAF."

4. WHILE NO EDITORIALS HAVE YET APPEARED CALLING ON ECUADOR TO STEP BACK FROM A BRINK AT THE EDGE OF WHICH LIMITED OFFICIAL USE

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IT HAS NO COMPANY, POLITICAL COMMENTATORS OFTEN SERVE THE SAME PURPOSE. AND THERE HAVE BEEN SOME REMARKABLE COLUMNS OF LATE, WHICH CLEARLY INDICATE THAT SENSIBLE PEOPLE ARE DOING SOME RE-THINKING. BENJAMIN ORTIZ, IN TODAY'S (JAN 22) EL TIEMPO, COMES RIGHT OUT AND SAYS THAT LATIN AMERICA AND ECUADOR HAVE DONE RIGHT TO CLING TO THE OAS, BECAUSE "IN SPITE OF ALL ITS SHORTCOMINGS, IT IS AN ESTABLISHED MULTI-LATERAL STRUCTURE. IT IS WELL NOT TO NEGOTIATE

UNDER DURESS, BUT....IT IS BETTER TO RESORT TO A PRACTICAL DISCUSSION OF PROBLEMS THAN TO EMBARK UPON AN ENTANGLED ACTION WHICH WOULD NEVER BE FINALLY CLEARED UP." AND THEN HE GOES ON TO NOTE, MOST IMPORTANTLY, "THE CONFRONTATION WITH THE US HAS REVEALED THE FACT THAT THE INTERESTS OF (LATIN AMERICA AND THE US) ARE LARGELY DIFFERENT, AND ALSO THE FIRM DECISION OF THE US TO ASSERT ITS VIEWS." HE CONCLUDES "WHILE (WE) ARE CLEARLY DEFENDING OUR NATIONAL INTEREST, IT WILL BE DIFFICULT (TO SEE HOW) BEHIND-THE-SCENES INTERNATIONAL OR BI-LATERAL DIPLOMACY CAN TAKE PLACE."

5. AND OF ALL THINGS, EVEN THE SATIRICAL AND OFTEN YANKEE-BAITING "PICAPIEDRAS" COLUMN LIT OUT WITH ITS OPENER "LOOK WHAT HAS HAPPENED FOR US FOR MEDDLING WITH THE ARABS. EVER SINCE WE JOINED OPEC, WE HAVE BEEN AS MELANCHOLY AS THE NIGHT. THE ARABS CONSIDER US 'LITTLE BROTHERS', SINCE OUR PETROLEUM, COMPARED WITH THAT OF SAUDI ARABIA OR IRAN, IS HARDLY ENOUGH TO REFUEL A CIGARETTE LIGHTER. THE OTHER LATIN AMERICAN STATES WHO ARE VICTIMS OF THE ENERGY CRISIS....AND WHO HAVE TO LESSEN THE CONTENTS OF THEIR POTS IN ORDER TO LENGTHEN THE FLAME OF THEIR STOVES, HAVE BEGUN TO LOOK ON ECUADOR AS AN EMIRATE FULL OF CAMELS AND OIL DERRICKS....FOR NO REASON AT ALL, WE FIND OURSELVES INVOLVED IN THE WAR IN THE MIDDLE EAST.... THE PETROLEUM CHAMPIONSHIP IS BEING FOUGHT ON SEVERAL FIELDS, IN CAIRO, IN BAGHDAD, IN TEHRAN, IN WASHINGTON. IN THE LATTER CTIY, A CERTAIN JOHN FOR SAID THAT ECUADOR WAS ATTACKING THE US WITH ITS PETROLEUM PRICES. AND HE ADDED THAT IF ECUADOR DOES NOT ATTEND THE BUENOS AIRES CONFERENCE IN MARCH, IT WILL MAKE NO DIFFERENCE AS WE ARE NO BETTER THAN LITTLE ARABS...."

NEGROPONTE

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